context of "the need to maintain and improve the level of productivity".

(c) Government do not contemplate any such steps.

Loans and advances to NCCF

1158. SHRI BIR BHADRA PRATAP SINGH:
SHRI BHAGATRAM MANHAR:

Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to a news-item appearing in the "Telegraph" dated 9.8.1986 under the caption "Consumer body loses Rs. 4.5 crores"; and

(b) if so, what are the details thereof and whether the concerned lead bank namely UCO Bank has been directed to make recoveries of loans, advances to NCCF and also to bring a change in the management Board of NCCF as per the latest instructions issued by RBI and the Government and if not the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) National Consumer Cooperative Federation (NCCF) has reported that, upto 1984-85, it sustained heavy losses aggregating to about Rs. 3.74 crores due to a steep rise in its expenditure, heavy interest burden, uneconomic 'business deal etc. UCO Bank has reported that its involvement with NCCF is covered by adequate securities in the forms of stocks and Government guarantees. NCCF has also reported that departmental enquiries have been initiated against the persons involved in irregularities and certain cases of irregularities have been referred to the Central Bureau of Investigation (CBI) for investigations.

As regards change in the management due to unsatisfactory performance and bad financial health, the Central Registrar of Cooperative Societies has already issued a show cause notice for supersession of the Board of Directors of the NCCF. Two Directors of the Board have filed a Writ Petition against the action of the Central Registrar in the Delhi High Court and have obtained a Stay Order. The matter is therefore, sub-judice.

Rs. 65 crores advanced to Biscomaun

1159. SHRI SHARAD YADAV:
SHRI SATYA PRAKASH MALAVIYA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Government of Bihar, in defiance of the Centre's directive on observing financial discipline, have advanced Rs. 65 crores to Biscomaun—the apex Cooperative body in the State—alleged to have Swindled several crores of rupees by fraudulant transactions in seeds, fertilisers and pesticeides; and

(b) if so, what are the details thereof stating the reaction of Government with regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The Government of Bihar has full powers to advance funds, in accordance with law, to cooperative institutions. The Government of Bihar has also observed the Govt. of India's general Guidelines regarding financial discipline as it has not gone into overdraft with the Reserve Bank of India during 1986-87.